GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1924
ANSWERED ON:13.03.2007
QUALITY OF KHADI
Vijay Krishna Shri

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the Government has formulated any scheme for improving the quality of Khadi in view of its increasing demand in domestic and foreign markets;

(b): if so, the number of persons likely to be benefited by promoting Khadi industry; and

(c): the steps taken by the Khadi and Village Industries Commission to promote production of Khadi in rural and tribal areas?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Government (in the Ministry of Agro and Rural Industries) in consultation with Khadi and Village Industries Commission (KVIC) has formulated a scheme for enhancing productivity and competitiveness of khadi industry and artisans by overhauling, repairing and renewal of spinning/weaving and allied equipment, replacement of obsolete equipment in operation with 200 of the best performing khadi institutions registered with KVIC, setting up service centres, product and design development, capacity building of artisans as well as khadi institutions. This scheme has the principal objective of upgradation of quality of khadi products for domestic market as well as external market.

(b): The scheme is proposed to be implemented over a period of five years and after the complete implementation of the scheme, around 24,000 new employment opportunities are expected to be added to the existing 8.68 lakh persons employed in the khadi sector.

(c): To increase the production of khadi in the country, including rural and tribal areas, and make khadi products competitive in the global economy, Government (in the Ministry of Agro and Rural Industries) has been implementing schemes like Interest Subsidy Eligibility Certificate scheme (ISEC) providing subsidized rates of interest on bank loans, Product Development, Design Intervention and Packaging (PRODIP) Scheme for improving designs and packaging of khadi products and Rebate Scheme for providing rebate on sales of khadi through KVIC. Assistance is also provided to khadi institutions by KVIC to participate in exhibitions at the national, sub-national levels to assist marketing of khadi products. Further, the Government has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) to develop 100 clusters (25 khadi, 50 village industries and 25 coir clusters) over a period of five years beginning 2005- 06. SFURTI envisages assistance for setting up of common facility centres, quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion, etc.